

# **Service Area Plan**

## **Department of Accounts**

### **Disbursements Review (73702)**

## **Service Area Background Information**

### **Service Area Description**

This service involves the promulgation and interpretation of policies, procedures and controls governing the disbursement of public funds, and the review of transactions prior to payment to ensure that policies and controls are being enforced by agency fiscal personnel. Disbursements review responsibility prior to payment has been largely delegated to individual agencies. Agency performance is monitored through periodic post-disbursement reviews and reported to the Governor and Cabinet. Several agencies are still required to submit documents to DOA for review to support all disbursements prior to payment. These agencies have either not demonstrated the capability to manage a delegated program or are small agencies for which the cost of delegation is greater than the efficiency benefits to be gained. A few agencies, primarily those that support elected officials, are considered too sensitive to delegate.

This service area also includes the Division of the State Internal Auditor who provides an effective and efficient method for state employees to report fraud, waste, and abuse through the administration of the State Employee Fraud, Waste, and Abuse Hotline. DOA also assists in the establishment, development, and maintenance of agency Internal Audit Programs through training and technical assistance.

### **Service Area Alignment to Mission**

Disbursements review aligns very well with DOA's mission statement as its purpose is to ensure that financial transactions are posted to the accounting system properly so that the integrity of the financial data is preserved.

### **Service Area Statutory Authority**

This service area is covered by § 2.2-1822 which reads as follows:

The Comptroller shall not issue a disbursement warrant unless he shall have audited, through the use of statistical auditing or other acceptable means, the bill, invoice, account, payroll or other evidence of the claim, demand or charge and satisfied himself as to the regularity, legality and correctness of the expenditure or disbursement, and that the claim has not been previously paid.

### **Service Area Customer Base**

| <b>Customers</b>                             | <b>Served</b> | <b>Potential</b> |
|--|---------------|------------------|
| Fiscal Staff of Agencies in the Commonwealth | 230           | 230              |

### **Service Area Products and Services**

- This service area produces audit reports when they review decentralized agencies disbursement records. These audit reports serve to inform agencies on where they deviated from state accounting policies & procedures and how to improve their future performance.

### **Factors Impacting Service Area Products and Services**

The ability to attract and retain talented employees to handle the complex issues that DOA must address. The impact of new Code and accounting requirements on our system and business.

### **Anticipated Changes to Service Area Products and Services**

We anticipate enhancements to our systems identified through analysis and enhancements which will

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be required to meet new Code or accounting requirements.

**Service Area Financial Summary**

The budget for this area is funded with all general funds.

|                     | <b><u>Fiscal Year 2007</u></b> |                        | <b><u>Fiscal Year 2008</u></b> |                        |
|---------------------|--------------------------------|------------------------|--------------------------------|------------------------|
|                     | <b>General Fund</b>            | <b>Nongeneral Fund</b> | <b>General Fund</b>            | <b>Nongeneral Fund</b> |
| Base Budget         | \$545,414                      | \$0                    | \$545,414                      | \$0                    |
| Changes to Base     | \$178,615                      | \$0                    | \$178,615                      | \$0                    |
| <b>SERVICE AREA</b> | <b>\$724,029</b>               | <b>\$0</b>             | <b>\$724,029</b>               | <b>\$0</b>             |

**Service Area Objectives, Measures, and Strategies**

**Objective 73702.01**

***Audit decentralized agencies.***

Decentralized agencies are not required to send documentation to DOA prior to a payment being processed. This objective is intended to enhance the financial information being transmitted to our accounting system and enhances the integrity of the financial information.

**This Objective Supports the Following Agency Goals:**

- Maintain the integrity of the accounting and payroll systems of the Commonwealth to provide for accurate financial and accounting information.  
(The audits of decentralized agencies ensure that agencies are following the policies and procedures promulgated in the CAPP manual.)

**This Objective Has The Following Measure(s):**

- **Measure 73702.01.02**

***Conduct audits of decentralized agencies a minimum of once every two years.***

**Measure Type:** Output

**Measure Frequency:** Annually

**Measure Baseline:** Currently, audits are conducted on an irregular basis due to lack of staffing.

**Measure Target:** Conducting audits once every two years is the minimum necessary to ensure that agencies are complying with CAPP manual policies and procedures.

**Measure Source and Calculation:** Statistics related to the audits of decentralized agencies are gathered by the disbursements review unit.

**Objective 73702.01 Has the Following Strategies:**

- Prepare a schedule to ensure that audits are conducted with each agency in the timeframe specified, unless performance indicates a change in the two year plan.

**Objective 73702.02**

***Administer the Fraud, Waste, and Abuse Hotline in accordance with Executive Order 24.***

DSIA manages the FWA Hotline in a manner that encourages state employees to report fraud, waste and abuse of state resources. They ensure that recommendations and corrective actions are

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implemented in a timely manner and that they adequately address the issues that led to substantiated allegations; and help ensure that Commonwealth policies, rules, regulations, and laws are followed

**This Objective Supports the Following Agency Goals:**

- Strengthen oversight and improve agency internal controls.

**This Objective Has The Following Measure(s):**

- **Measure 73702.02.02**

*Percent of the hotline cases assigned within two business days.*

**Measure Type:** Output

**Measure Frequency:** Annually

**Measure Baseline:** 85%, 2005.

**Measure Target:** 80%, 2006-2008 biennium.

**Measure Source and Calculation:** The Division of the State Internal Auditor maintains this data.

**Objective 73702.02 Has the Following Strategies:**

- Continuous monitoring of hot line call is required.

**Objective 73702.03**

*Provide economical training to Commonwealth internal auditors.*

The Division of the State Internal Auditor is charged with providing training for the Commonwealth's internal auditors in order to bring leading edge, low cost training that assists auditors in addressing their training needs while enhancing the knowledge, skills, and abilities necessary to perform their daily audit responsibilities.

**This Objective Supports the Following Agency Goals:**

- Strengthen oversight and improve agency internal controls.

**This Objective Has The Following Measure(s):**

- **Measure 73702.03.03**

*Percent savings achieved in the cost of tuition for internal audit training classes sponsored by the Division.*

**Measure Type:** Output

**Measure Frequency:** Annually

**Measure Baseline:** FY 2005, 61% savings

**Measure Target:** 60% savings, 2006-2008 biennium

**Measure Source and Calculation:** DSIA maintains this data.

**Objective 73702.03 Has the Following Strategies:**

- Contact many vendors when arranging class schedules to obtain the best selection of courses at the best prices.